ORIGINAL

<u>MEMORANDUM</u>

TO

Docket Control Center

FROM:

Steven M. Olea

Director

Utilities Division

DATE:

April 23, 2010

RE:

BACA FLOAT WATER COMPANY - REQUEST FOR EXTENSION OF

COMPLIANCE DEADLINE (DOCKET NO. WS-01678A-07-0459)

In Decision No. 70290, dated April 24, 2008, the Arizona Corporation Commission ("Commission") approved the application of Baca Float Water Company ("Baca Float" or "Company") for an extension of its water and wastewater Certificate of Convenience and Necessity ("CC&N") in Santa Cruz, County.

As part of Decision No. 70290, the Commission ordered Baca Float to:

"... file with Docket Control, as a compliance item in this docket, within two years of the effective date of the Decision in this matter, copies of the General Permits for the wetland treatment facility and the collection system for the development in the requested area."

Based on the April 24, 2008 docket date of Decision No. 70290, the original due date for this item was on or about April 24, 2010.

On April 9, 2010, Baca Float docketed a "motion for extension of time to file compliance item", in which they requested a two year extension of time, until April 24, 2012, for provision of the General Permits outlined above. According to the application, in 2007, Baca Float was asked by Tubac 40 L.L.C. (the developer) to provide service to approximately 40 acres of land with 82 lots. However, "due to the current economic downturn and associated slowing of the real estate market, Tubac 40 L.L.C. has postponed its plans to begin construction in the CC&N area." The Company attached a letter from Mr. David Grounds, of Tubac 40 L.L.C. reiterating the need for service after a construction postponement of two years.

On April 22, 2010, Staff contacted Mr. Jeffrey W. Crockett of Snell & Wilmer, attorney for Baca Float, regarding the filing. Mr. Crockett confirmed that the request for the extension of time was a function of the state of the marketplace. This is supported by Tubac 40 L.L.C.'s April 9, 2010 letter wherein the developer states that the economy is leading to a two year postponement in construction. Mr. Crockett stated that the proposed extension date of April 24, 2012 was based on the developer's new plan for construction, which anticipates the project proceeding in 2012.

Staff concludes that the current application for extension of time was timely filed and includes an updated request for service from the developer, Tubac 40 L.L.C.

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Based on the application and all of the above, Staff does not object to Baca Float's request for an extension of time to provide the General Permits for the wetland treatment facility and the collection system for the development in the requested area. Staff recommends that the Commission due date for filing the required General Permits be extended until April 24, 2012.

SMO:BKB:lhm

Originator: Brian K. Bozzo

SERVICE LIST FOR: DOCKET NO.

BACA FLOAT WATER COMPANY WS-01678A-07-0459

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